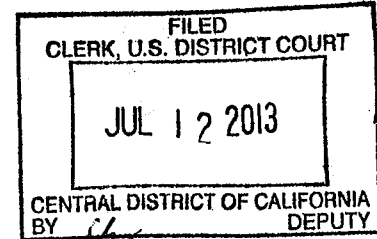


John Steele
1111 Lincoln Road, Suite 400
Miami Beach, Florida 33139

Pro Se



UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

INGENUITY 13 LLC,

Plaintiff,

v.

JOHN DOE,

Defendant.

CASE NO. 2:12-CV-8333-ODW (JCx)

Judge: Hon. Otis D. Wright, II
Magistrate Judge: Hon. Jacqueline Chooljian

**JOHN STEELE'S REPLY TO
RESPONDENTS RESPONSE TO
MOTION FOR RECONSIDERATION**

The response submitted by attorneys Pietz and Ranallo ("Respondents") contains a shocking admission: Respondents concede that they *never served any pro se person with any paper throughout the pendency of this entire action.* (See generally ECF No. 207) The record before the Court on this most-fundamental issue is now complete. Respondents had a duty to serve the *pro se* persons with the papers they were filing. See Fed. R. Civ. P. 5; see also L.R. They utterly and deliberately failed to meet that duty. As a result, this entire proceeding has been conducted *ex parte* with respect to the *pro se* persons.

I. INTRODUCTION

Respondents' many guesses about when Movant was first on actual notice of Pietz's filings are totally irrelevant because they all post-date the day on which the Court ruled on the respective filings. Due process requires notice *and* an opportunity to be heard; notice *or* an opportunity to be heard is hopelessly insufficient. Respondents' suggestion that Movant's right to appeal is a satisfactory substitute for due process at the district court level is both absurd and wrong.

1 Once again, the Respondents are forced to resort to material misstatements of fact to
 2 compensate for the inadequacy of their arguments. In Respondents' most recent filing, these
 3 misstatements include:

- 4 (1) "This is not the first frivolous motion that attempts to sanction Pietz that the
 5 Prenda parties have filed in this case" (ECF No. 207 at 13) (citing to ECF No.
 6 22, a motion that was drafted, filed and signed by attorney Brett Gibbs—who
 7 was excluded from the Court's definition of "Prenda parties.");
- 8 (2) "But the truth is that since Steele and his contingent went *pro se* around May
 9 16, 2013, Pietz has filed two documents which were served by CM/ECF only."
 10 (ECF No. 207 at 5.) Not only do the Respondents fail to note, for example,
 11 that the joint stipulation between Gibbs and Pietz was not served on several of
 12 the *pro se* persons, but they attempt to gloss over the fact that several persons,
 13 including Peter Hansmeier, Mark Lutz, Livewire Holdings, LLC, 6881
 14 Forensics, LLC and others have been appearing *pro se* since as early as March
 15 5, 2013. Mr. Steele's due process right are not only implicated by Pietz's
 16 failure to serve documents on him, but also Pietz's failure to serve documents
 17 on others who might raise arguments to challenge Pietz's often-bizarre
 18 assertions; and
- 19 (3) "[An] email from Phillip Vineyard should have been sufficient to put Steele on
 20 notice of the fact that proceedings were underway in the District Court on the
 21 bond issue." (ECF No. 207 at 12.) Mr. Vineyard's e-mail did not contain a
 22 copy of any of Mr. Pietz's submissions to the District Court.

23 The extent of the fraud that has been committed on this Court by Respondents is
 24 slowly, but steadily, emerging. The first category of fraud—failing to serve any of the *pro se*
 25 persons with any of the papers they have submitted over the course of this *entire*
 26 *proceeding*—has been definitively established by the papers before the Court; Pietz and
 27 Ranallo *do not dispute* that they engaged in this fraud.

1 Other categories of fraud are coming to light. For example, the attorneys' fee
 2 declaration submitted by Pietz contains several extraordinary entries. Among these is an
 3 entry for 4.20 hours for, *inter alia*, a telephone conference with one, "D. Browning." (ECF
 4 No. 102-1 at 14.) Who is this D. Browning? Is he an attorney, an investigator or somebody
 5 else? The staggering answer to this question is: a newspaper reporter for the Minneapolis
 6 Star Tribune. (*See, e.g.*, ECF No. 76-1) (lodging article bylined, "Dan Browning".) Put
 7 plainly, Pietz sought and recovered attorney's fees for participating in an interview with a
 8 newspaper reporter. The undersigned has never before seen an attempt to collect attorneys'
 9 fees for public relations efforts. Because he later managed to secure a punitive doubling of
 10 these fees, Pietz's efforts in this regard are not only a fraud, but a double-fraud.

11 Other areas of inquiry are also yielding indications of fraud. For example, evidence is
 12 emerging that Pietz and attorney Brett Gibbs have been collaborating behind-the-scenes
 13 during these proceedings in order to ensnare people from across the United States who did
 14 not participate in these proceedings—except, of course, to be sanctioned.

15 **II. MOVANT'S MOTION FOR RECONSIDERATION PRESENTED NEW** 16 **EVIDENCE IN THE FORM OF PIETZ'S DAMAGING ADMISSIONS**

17 The Respondents bizarrely assert that Movant did not submit new evidence with his
 18 motion for reconsideration. (*See* ECF No. 6-8.) Yet, Movant's motion for reconsideration
 19 was accompanied by an e-mail from Pietz, in which Pietz cavalierly admitted to not serving
 20 any of the *pro se* persons with any paper during the entire proceeding. In Movant's original
 21 motion, he was forced to infer failure of service through the Respondents' failure to attach
 22 certificates of service and his lack of receipt of any document filed by the Respondents in
 23 this matter. Pietz's e-mail removed any doubt regarding the Respondents' failure to serve
 24 their papers, and thus constituted new evidence.

25 ///

26 ///

27 ///

1 **III. MOVANT HAS MAINTAINED CONTACT INFORMATION SUFFICIENT**
 2 **FOR SERVICE THROUGHOUT THESE PROCEEDINGS**

3 The next red-herring raised by Respondents relates to Movant's contact information.
 4 Respondents do not dispute that Movant's mailing address is accurate. (See ECF No. 207 at
 5 8-9.) Respondents claim that Movant's so-called "violations of the local rule designed to
 6 facilitate service of process" indicates that he has acted in bad-faith. (*Id.* at 9.) The *obvious*
 7 point ignored by the Respondents, of course, is that Movant has never consented to service
 8 via e-mail or facsimile. Respondents are obligated by the Federal Rules of Civil Procedure
 9 and the Local Rules to serve Movant via U.S. mail. Their abject failure to do so throughout
 10 the course of this proceeding is the precise fraud from which Steele is seeking relief. To the
 11 extent that Movant is not in compliance with the local rules, Movant apologizes and will take
 12 corrective action. However, Movant would respectfully inform the Court that the ARDC
 13 rules pertaining to Illinois attorneys practicing in the state of Illinois does not apply when
 14 that Illinois attorney is proceeding *pro se* in a state he or she is not licensed to practice law
 15 in. Here, Movant is proceeding *pro se* and has never applied for admission to the California
 16 state bar or the U.S. District for the Central District of California. In fact, Movant has never
 17 applied for *pro hac vice* status for any case in the state of California at any time during his
 18 legal career.

19 **IV. THE RESPONDENTS' INSINUATION THAT STEELE DOCTORED**
 20 **DOCUMENTS IS A TOTAL LIE**

21 The Respondents apparently believe that doubling-down on their fraud is a wise
 22 strategy. They are wrong. The Respondents fraudulently assert that Steele "doctored" the e-
 23 mail that Pietz sent him. Yet, the text of the e-mail submitted by Steele and the text of the e-
 24 mail submitted in the Respondent's motion is *identical*. The Respondents' assertion that
 25 Steele somehow doctored Pietz's e-mail is a total lie. The Respondents then attempt to
 26 prove that Movant had actual notice of the bond issue. This argument, too, is a red herring.
 27
 28

1 Having actual notice of the bond issue *after it has been* decided is obviously not the same as
 2 being served with notice of the bond issue *when it is being* decided.

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6 **V. RESPONDENTS' REQUEST FOR SANCTIONS IS AN ATTEMPT TO**
 7 **BULLY A *PRO SE* PERSON FOR EXPOSING THEIR FRAUD**

8 The crux of Movant's motion is that Respondents defrauded this Court by failing to
 9 serve any of the *pro se* persons with any documents throughout this entire proceeding. This
 10 point is not even disputed. (*See generally*, ECF No. 207.)

11 Respondents make an improper request to the Court for sanctions against Steele under
 12 Rule 11. If the Respondents truly believe that Steele's motion is frivolous, they are free to
 13 comply with the mandatory procedures contained in Rule 11. They have not done so.
 14 Further, as the Court stated in its Order Issuing Sanctions (ECF No. 130), monetary sanctions
 15 are not available in a post-dismissal, Court-initiated Rule 11 proceeding.

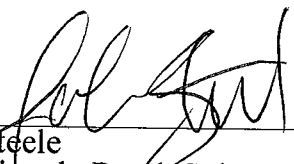
16 Movant does not believe the Respondents are ignorant of these points. Instead,
 17 Movant believes that the Respondents are simply trying to bully their way out of their now-
 18 exposed fraud. No one in the world disputes whether Respondents have defrauded the Court.
 19 The only question is whether this Court will hold two California attorneys—who had to
 20 swear under oath to follow the local rules when they were admitted to the Central District of
 21 California—responsible for their misconduct.

22 **CONCLUSION**

23 Movant respectfully requests the Court to take whatever actions it deems appropriate
 24 to protect the Court, Movant and the other *pro se* persons from the Respondents' recently-
 25 discovered fraud.

26
 27 Respectfully submitted,

1 DATED: July 9, 2013

2 
3 John Steele
4 1111 Lincoln Road, Suite 400
5 Miami Beach, Florida 33139

6 *Pro Se*

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

INGENUITY 13 LLC,

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CASE NO. 2:12-CV-8333-ODW (JCx)

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CERTIFICATE OF SERVICE

IT IS HEREBY CERTIFIED THAT:

I, the undersigned, am a citizen of the United States and am at least eighteen years of age.
 My address is 1111 Lincoln Road, Suite 400, Miami Beach, FL 33139. I have caused service of:

REPLY TO RESPONSE TO MOTION FOR RECONSIDERATION

On the following parties via U.S. Mail first-class, postage prepaid:

PARTIES	COUNSEL OF RECORD/PRO SE
Prenda Law, Inc. 161 N.Clark St. Ste. 3200 Chicago, IL 60601	Klinedinst PC 501 West Broadway, Suite 600 San Diego, California 92101 Telephone: (619) 239-8131 Fax: (619) 238-8707 e-mail: hrosing@klinedinstlaw.com e-mail: dmajchrzak@klinedinstlaw.com
Ingenuity13, LLC Springates East Government Road Charlestown, Nevis	Pro Se
Livewire Holdings, LLC 2100 M Street Northwest, Suite 170-417 Washington, D.C. 20037	Pro Se
6881 Forensics, LLC Springates East Government Road Charlestown, Nevis	Pro Se

1	AF Holdings, LLC Springates East Government Road Charlestown, Nevis	Pro Se
2		
3	Brett L. Gibbs 38 Miller Avenue, #263 Mill Valley, CA94941	Pro Se
4	Mark Lutz 2100 M Street Northwest, Suite 170-417 Washington, D.C. 20037	Pro Se
5		
6	Paul Duffy 2 N. La Salle St. St., 13th Floor Chicago, IL 60602	Pro Se
7		
8	Paul Hansmeier Alpha Law Firm, LLC 900 IDS Center 80 South 8 th St. Minneapolis, MN 55402	Pro Se
9		
10	Peter Hansmeier 2100 M Street Northwest, Suite 170-417 Washington, D.C. 20037	Pro Se
11		
12	Angela Van Den Hemel 2100 M Street Northwest, Suite 170-417 Washington, D.C. 20037	Pro Se
13	Non-Party Putative John Doe	Morgan Pietz (SBN 260629) The Pietz Law Firm 3770 Highland Ave., Ste. 206 Manhattan Beach, CA 90266
14		
15	Morgan Pietz and Nicholas Ranallo	Heller & Edwards Lawrence E. Heller 9454 Wilshire Boulevard, Suite 500 Beverly Hills, CA 90212-2983
16		
17		

18 I declare under penalty of perjury that the foregoing is true and correct. Executed on July 9,
19 2013.

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Signature 